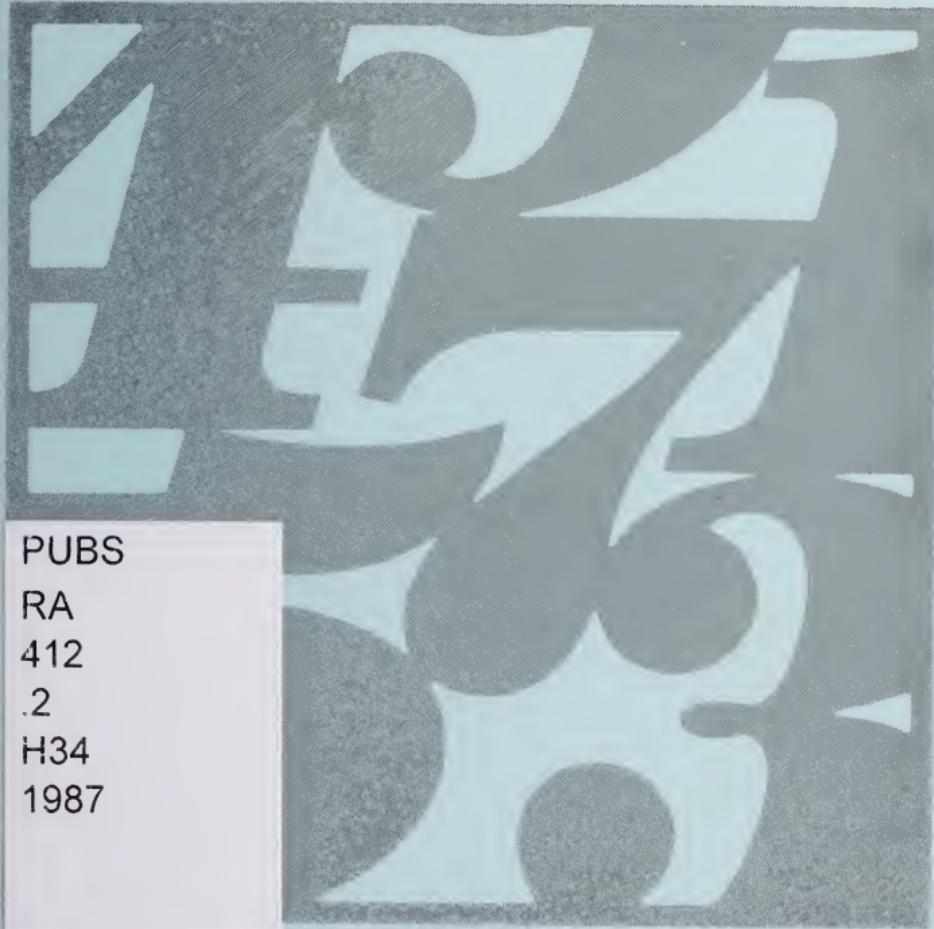




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Health Care Financing Administration
Bureau of Data Management and Strategy
September 1987

**U.S. DEPARTMENT OF HEALTH AND
HUMAN SERVICES**

Otis R. Bowen, M.D., Secretary

**HEALTH CARE FINANCING
ADMINISTRATION**

William L. Roper, M.D., Administrator

**BUREAU OF DATA MANAGEMENT
AND STRATEGY**

Regina McPhillips, Dr. P.H., Director

David J. Butler, Deputy Director

**OFFICE OF STATISTICS AND DATA
MANAGEMENT**

Michael McMullan, Director

For further information contact:

Division of Information Analysis

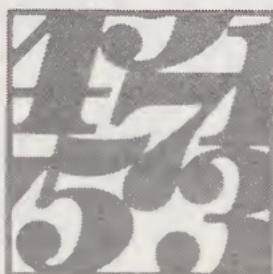
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Preface

Since the Medicare and Medicaid programs began, health care expenditures have grown faster than the rest of the economy. Medicare and Medicaid have grown even faster than health expenditures in general. This reference booklet provides significant summary information about health expenditures and Health Care Financing Administration (HCFA) programs.



The data are organized as follows:

	Page
Highlights — Growth in HCFA Programs and Health Expenditures	1
I. Populations	5
II. Providers/Suppliers	11
III. Expenditures	17
IV. Utilization	25
V. Administrative/Operating	31
Reference	37

Highlights

Growth in HCFA programs and health expenditures



Populations

- Persons enrolled for Medicare coverage increased from 19.5 million in 1967 to about 32.4 million in 1987, a 66-percent increase.

In 1967, Medicare enrollees represented 9.7 percent of the U.S. resident population; in 1987, they represented 13.1 percent.

- Medicaid recipients (data on eligibles are not available) increased from about 10 million in calendar year 1967 to 23.3 million in fiscal year 1987, an increase of 133 percent.

Data for 1987 indicate that 8.9 percent of the U.S. resident population received Medicaid services.

Providers/Suppliers

- The number of short-stay hospitals has generally been dropping. There were 6,198 certified to participate in the Medicare program in January 1968 compared with 5,912 in January 1987. The number of certified beds, however, generally increased during this period, from 772,000 to 1,011,000 in 1987.
- At the beginning of 1987, 5,903 or 88 percent of all hospitals were covered by the prospective payment system.
- Skilled nursing facilities increased steadily from 4,405 in January 1968 to 7,148 in January 1987, a 62-percent increase.
- The number of home health agencies increased 215 percent from 1,890 in January 1968 to 5,953 in January 1987, but has stabilized over the last 2 years.
- Independent laboratories increased 83 percent from 2,355 in January 1968 to 4,298 in January 1987.

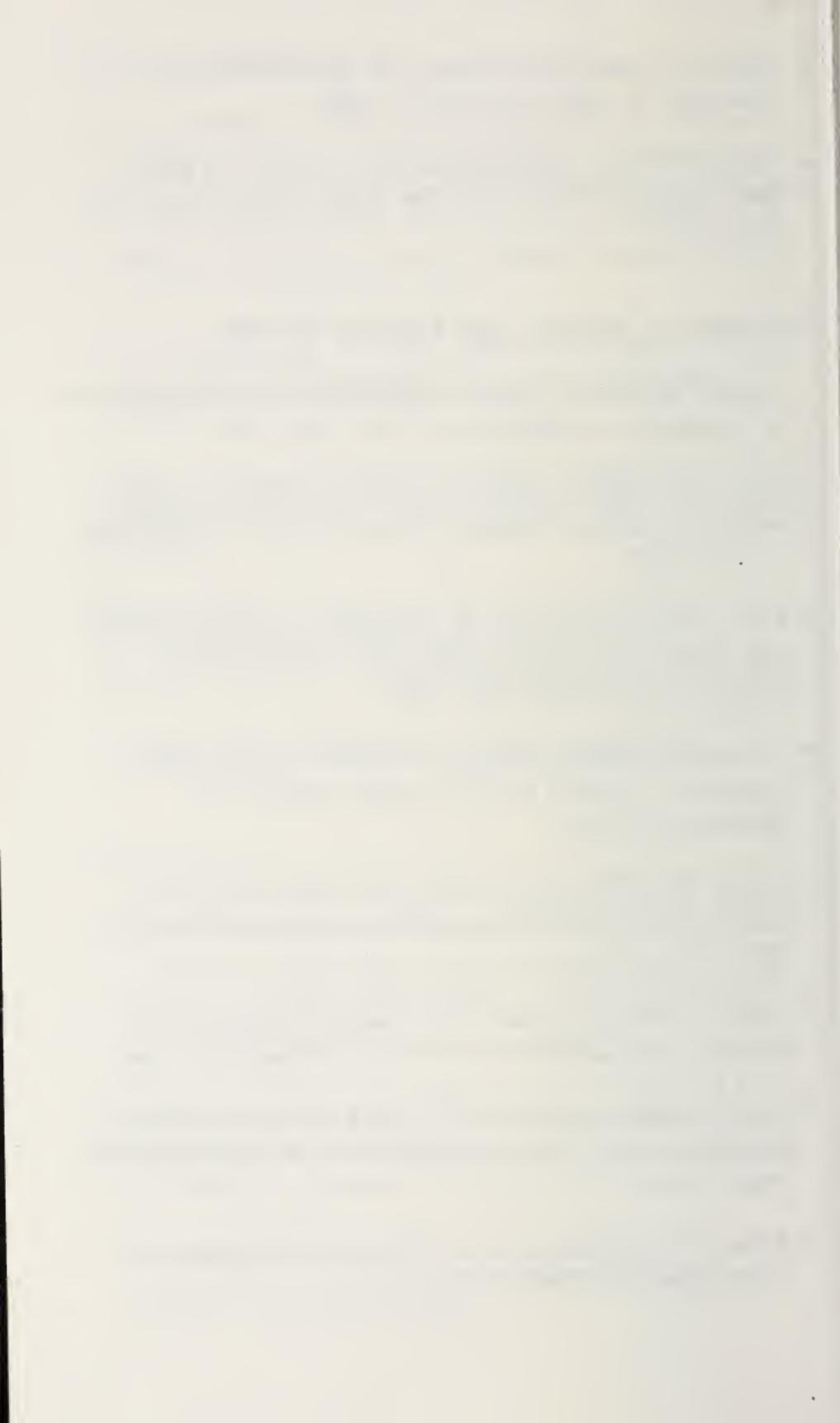
Expenditures

- National health expenditures were \$51 billion in 1967, 6.3 percent of the gross national product (GNP). In 1986 expenditures are expected to reach \$458 billion, 10.9 percent of GNP.
- Public expenditures on health amounted to \$19 billion in 1967, 37 percent of total health expenditures. In 1986, public health expenditures are expected to reach \$190 billion, 41 percent of total health expenditures.
- Federal health expenditures increased from 23 percent of all health expenditures in 1967 (\$12 billion) to 29 percent in 1986 (\$135 billion).

- National health expenditures per person increased from \$247 in 1967 to \$1,837 in 1986.
- National health expenditures are projected to reach \$647 billion in 1990, with the Federal share being \$195 billion.

Utilization of Medicare and Medicaid Services

- Almost 44 million persons will receive services paid for by Medicare or Medicaid in fiscal year 1987.
- One out of five or about 9 million of these persons, will use inpatient hospital services covered by Medicare or Medicaid.
- Four out of five, or about 35 million of these persons, will receive reimbursable physician services under Medicare or Medicaid this year.
- About 20 million persons will receive reimbursable outpatient hospital services under Medicare or Medicaid this year.
- About 800,000 persons will receive care covered by Medicare or Medicaid in skilled nursing facilities this year.
- About 1 million persons will receive care in intermediate care facilities covered by Medicaid this year.
- Over 2 million persons will receive reimbursable home health agencies visits under Medicare or Medicaid this year.
- Almost 15 million persons will receive drug prescriptions under Medicaid this year.



Populations

Information about persons covered by Medicare and Medicaid



For Medicare, statistics are based on persons enrolled for coverage. For Medicaid, recipient counts are used as a surrogate of persons eligible for coverage, as well as for persons utilizing services. Statistics are available by major program categories, by demographic and geographic variables, and as proportions of the U.S. population. Utilization data organized by persons served may be found in the Utilization section.

MEDICARE ENROLLMENT/TRENDS

	Total Persons	Aged Persons	Disabled Persons
	(in millions)		
July			
1966	19.1	19.1	—
1970	20.5	20.5	—
1975	25.0	22.8	2.2
1980	28.5	25.5	3.0
1983	30.0	27.1	2.9
1984	30.5	27.6	2.9
1985	31.1	28.2	2.9
1986 ¹	31.8	28.8	2.9
1987 ¹	32.4	29.5	3.0
1988 ¹	33.0	30.1	3.0

¹Estimated.

MEDICARE ENROLLMENT/COVERAGE

	HI and/or SMI ¹	HI	SMI
	(in millions)		
All Persons	31.8	31.3	30.6
Aged Persons	28.8	28.3	27.9
Disabled Persons	2.9	2.9	2.7

(July 1986, estimated)

¹Hospital insurance (HI); supplementary medical insurance (SMI).

MEDICARE ENROLLMENT/DEMOGRAPHICS

	Total	Male	Female
	(in thousands)		
All Persons	31,768	13,411	18,357
Aged Persons	28,826	11,542	17,284
65-74	16,777	7,339	9,437
75-84	9,122	3,375	5,747
85 and over	2,927	827	2,100
Disabled Persons	2,942	1,869	1,073
Under 45	853	560	294
45-54	600	392	208
55-64	1,488	917	571
White	27,678	11,636	16,043
Other Races	3,166	1,403	1,763
Unknown	924	372	552

(July 1986, estimated)

MEDICARE ENROLLMENT/REGION

	July 1, 1986		Enrollees as Percent of Population
	Resident Population	Medicare Enrollees ¹	
(in thousands)			
All Regions	244,666	231,519	12.9
Boston	12,738	1,811	14.2
New York	28,796	3,932	13.7
Philadelphia	25,317	3,456	13.6
Atlanta	42,697	5,934	13.9
Chicago	45,953	6,017	13.1
Dallas	28,339	3,079	10.9
Kansas City	11,976	1,780	14.9
Denver	7,645	804	10.5
San Francisco	32,507	3,618	11.1
Seattle	8,698	1,067	12.3

¹Estimated.

²Includes enrollees with unknown State of residence, but excludes those living in foreign countries.

MEDICARE/HEALTH MAINTENANCE ORGANIZATIONS

	PRE-TEFRA HMO's ¹		POST-TEFRA HMO's ²	
	Plans	Enrollees	Plans	Enrollees
(in thousands)				
Total Prepaid	154	1,076	243	1,770
HCPP's ³	46	612	34	621
Total HMO's	108	464	209	1,150
TEFRA Risk	—	—	156	937
Old Risk	4	37	4	52
Cost Basis	65	117	42	131
Demonstrations	39	310	7	30

¹Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982; data as of March 1985.

²Data as of July 1987.

³Health Care Prepayment Plans.

AGED POPULATION/PROJECTED

	1987	2000	2025	2050
(in millions)				
65 and Over	29.8	35.5	60.1	69.1
75 and Over	12.4	17.0	25.6	37.8
85 and Over	3.0	4.6	7.1	15.4

LIFE EXPECTANCY AT AGE 65/TRENDS

	Male	Female
(in years)		
1965	12.9	16.3
1980	14.0	18.4
1984	14.3	18.7
1985	14.5	18.6
1986	14.6	18.7
1987	14.7	18.9

ELDERLY LIVING BELOW POVERTY LEVEL/TRENDS

	Persons	Percent
(in millions)		
1966	5.1	28.5
1970	4.7	24.5
1978	3.2	14.0
1980	3.9	15.7
1982	3.8	14.6
1983	3.6	13.8
1984	3.3	12.4
1985	3.5	12.6

NOTE: Income estimates beginning in 1983 were based on improved measurement of interest income.

MEDICAID RECIPIENTS/TRENDS

	1975	1980	1985	1986 ¹	1987 ¹	1988 ¹
(in millions)						
Total	22.0	21.6	21.8	22.6	23.3	23.7
Aged	3.6	3.4	3.1	3.3	3.3	3.4
Blind/Disabled	2.4	2.8	3.0	3.1	3.2	3.3
Children Under Age 21 and Other	11.4	10.8	11.0	11.2	11.6	11.9
AFDC-Adults ²	4.6	4.8	5.5	5.7	6.0	6.1

(Fiscal year data)

¹Estimated.

²Aid to Families with Dependent Children (AFDC).

MEDICAID RECIPIENTS/STATE BUY-INS FOR MEDICARE

	1975	1980	1985	1986 ¹
(number in thousands)				
All Buy-Ins ²	2,846	2,954	2,670	2,776
Aged	2,483	2,449	2,164	2,222
Disabled	363	504	505	554
(percent of total SMI enrollees)				
All Buy-Ins	12.0	10.9	9.0	9.2
Aged	11.4	10.0	8.0	8.0
Disabled	18.7	18.9	19.2	20.9

¹Total SMI enrollees estimated.

²Recipients for whom the State paid Medicare supplementary medical insurance (SMI) premium for month of July.

MEDICAID RECIPIENTS/DEMOGRAPHICS

	Fiscal Year 1985
All Recipients (millions)	21.8
Age	21.8
Under 6	21.4%
6-20	29.1%
21-64	33.3%
65 and over	16.2%
Sex	21.8
Male	36.0%
Female	64.0%
Race	21.8
White	52.6%
Other	47.4%

MEDICAID RECIPIENTS/REGION

	Fiscal Year 1985 Medicaid Recipients in Thousands
All Regions	21,808
Boston	1,054
New York	4,412
Philadelphia	2,053
Atlanta	2,998
Chicago	4,356
Dallas	1,732
Kansas City	804
Denver	357
San Francisco	3,501
Seattle	542

Providers /Suppliers

Information about institutions, agencies, or professionals who provide health care services and individuals or organizations who furnish health care equipment or supplies



These data are distributed by major provider/supplier categories, geographic region, and type of program participation. Utilization data organized by type of provider/supplier may be found in the Utilization section.

INPATIENT HOSPITALS/TRENDS

	1975	1980	1987
Total Hospitals	6,707	6,780	6,731
Beds (thousands)	1,132	1,152	1,138
Beds per 1,000 Enrollees	51.5	46.9	40.5
Short-Stay	6,084	6,111	5,912
Beds (thousands)	884	988	1,011
Beds per 1,000 Enrollees	40.2	40.2	36.0
Psychiatric	358	408	542
Beds (thousands)	207	136	94
Beds per 1,000 Enrollees	9.4	5.5	3.4
Other Long-Stay	265	261	277
Beds (thousands)	42	29	33
Beds per 1,000 Enrollees	1.9	1.2	1.2

(Facility data as of January 1; rates based on number of aged HI enrollees, July 1; 1986 enrollment estimated.)

Facilities certified for Medicare are deemed to meet Medicaid standards.

INPATIENT HOSPITALS/REGION

	Short- Stay Hospitals	Beds per 1,000 Enrollees	Long- Stay Facilities	Beds per 1,000 Enrollees
All Regions	5,912	36.0	819	4.5
Boston	254	30.3	75	8.9
New York	432	32.9	73	8.1
Philadelphia	475	33.1	104	5.6
Atlanta	1,090	37.4	147	3.2
Chicago	1,058	38.7	123	2.9
Dallas	890	43.5	111	4.2
Kansas City	525	38.6	45	3.7
Denver	335	39.7	32	5.8
San Francisco	605	32.3	80	2.6
Seattle	248	28.0	29	4.6

(January 1987 data; rates based on estimated number of aged HI enrollees, July 1, 1986.)

HOSPITALS/STATUS UNDER THE PROSPECTIVE PAYMENT SYSTEM

Total Hospitals	6,711
Hospitals Under PPS	5,657
Exempted Hospitals	
Psychiatric	515
Rehabilitation	79
Alcohol/Drug	22
Other Long-Term Care	92
Children's	55
Christian Science Sanatoria	21
Short-Stay Hospitals in Waiver States	166
Short-Stay Hospitals in Outlying Areas	61

(September 1986)

NOTE: Detail does not sum to total because data on the PPS status for a small number of hospitals are unavailable.

LONG-TERM FACILITIES/REGION

	Title XVIII and			
	XVIII/XIX	Title XIX-Only	Intermediate	Institutions
	Skilled Nursing Facilities	Skilled Nursing Facilities	Care Facilities	for Mentally Retarded
All Regions	7,148	1,977	5,600	3,550
Boston	428	213	486	307
New York	737	94	57	707
Philadelphia	803	55	374	203
Atlanta	1,147	399	455	210
Chicago	1,675	517	1,333	1,222
Dallas	369	121	1,521	442
Kansas City	280	139	1,027	71
Denver	301	145	150	103
San Francisco	1,145	162	53	213
Seattle	263	132	144	72

(January 1987)

OTHER MEDICARE PROVIDERS AND SUPPLIERS/TRENDS

	1975	1980	1986	1987
Home Health Agencies	2,254	2,858	5,932	5,953
Independent Laboratories	2,994	3,448	4,029	4,298
End Stage Renal Disease Facilities	—	975	1,463	1,578
Outpatient Physical Therapy	115	386	893	966
Portable X-Ray	131	210	334	361
Rural Health Clinics	—	359	424	438
Comprehensive Outpatient Rehabilitation Facilities	—	—	87	119
Ambulatory Surgical Centers	—	—	512	709
Hospice	—	—	227	355

(January 1987)

SELECTED FACILITIES/TYPE OF CONTROL

	Short-Stay Hospitals	Skilled Nursing Facilities	Home Health Agencies
All Facilities	5,912	7,148	5,953
(percent of total)			
Nonprofit	53.1	22.4	38.8
Proprietary	14.0	67.7	34.2
Government	32.9	10.0	26.9

(January 1987. Facilities certified for Medicare are deemed to meet Medicaid standards.)

PERIODIC INTERIM PAYMENT (PIP) FACILITIES/TRENDS

	1975	1980	1985	1986
Hospitals				
Number of PIP	1,524	2,276	3,290	3,371
Percent of Total Participating	22.5	33.8	49.0	50.3
Skilled Nursing Facilities				
Number of PIP	161	203	228	231
Percent of Total Participating	4.1	3.9	3.4	3.3
Home Health Agencies				
Number of PIP	86	481	952	1,061
Percent of Total Participating	3.8	16.0	16.0	18.0

(Data as of December 31)

PHYSICIANS/TRENDS

	1970		1985	
	Number	Percent	Number	Percent
Non-Federal Physicians				
Active in Patient Care	255,027	100.0	431,527	100.0
Medical Specialties	60,968	23.9	132,519	30.7
Surgical Specialties	75,991	29.8	118,955	27.6
Other Specialties	63,970	25.1	117,109	27.1
General Practice	54,098	21.2	62,944	14.6

PHYSICIANS/REGIONS

	Non-Federal Physicians Active in Patient Care	Physicians Per 100,000 Population
All Regions	431,527	179
Boston	28,875	229
New York	64,372	224
Philadelphia	50,172	201
Atlanta	63,346	152
Chicago	76,001	166
Dallas	40,324	145
Kansas City	17,689	149
Denver	11,742	156
San Francisco	64,752	207
Seattle	14,254	167

(Physicians as of December 1985; civilian population as of July 1985.)

MEDICARE ASSIGNED CLAIMS/REGION

	1980 Net Assignment Rates	1986 Net Assignment Rates
All Regions	51.5	68.0
Boston	67.4	82.6
New York	51.8	71.4
Philadelphia	61.6	82.2
Atlanta	52.3	64.7
Chicago	47.6	64.8
Dallas	50.3	62.7
Kansas City	40.4	56.8
Denver	39.5	51.1
San Francisco	53.2	70.6
Seattle	31.3	45.9

(Calendar year data)

III

Expenditures

Information about spending for health care services by Medicare, Medicaid, and in the Nation as a whole



Health care spending at the aggregate levels is distributed by source of funds, types of service, geographic area, and broad beneficiary or eligibility categories. Direct out-of-pocket, other private, and non-HCFA-related expenditures are also covered in this section. Expenditures on a per-unit-of-service level are covered in the Utilization section.

HCFA AND TOTAL FEDERAL DISBURSEMENTS

	Fiscal Year 1986
	(in billions)
Total Federal Budget ¹	\$989.8
Department of Health and Human Services ¹	333.9
(Percent of Federal Budget)	(33.7)
HCFA Budget	
Medicare Benefit Payments	74.0
Medicaid Medical Assistance Payments	23.6
HCFA Program Management	1.2
State and Local Administration/Training	1.4
Other Administrative Expenses	0.6
Peer Review Organizations (PRO's)	0.2
Total (unadjusted)	101.0
Offsetting and Proprietary Receipts	-5.7
Total Net of Offsetting and Proprietary Receipts ¹	95.3
(Percent of Federal Budget)	(9.6)

¹Does not include off-budget entities, net of offsetting receipts.

PROGRAM BENEFIT PAYMENTS/TRENDS

	Total	Medicare	Medicaid ¹
	(in billions)		
Calendar Year			
1966	\$ 2.5	\$ 1.0	\$ 1.5
1970	12.3	7.1	5.2
1980	60.9	35.7	25.2
1982	82.4	51.1	31.3
1983	91.4	57.4	34.0
1984	102.7	64.4	38.3
1985	114.5	72.3	42.2
1986	123.5	77.7	45.8

¹Total medical assistance payments, Federal and State expenditures combined.

PROGRAM BENEFIT PAYMENTS/REGION

	Medicare ¹	Medicaid	
		Computable ² (in millions)	Net Adjusted ³
All Regions	⁴ \$74,187	\$42,514	\$23,559
Boston	4,448	3,117	1,650
New York	10,021	9,779	5,164
Philadelphia	8,574	4,042	1,913
Atlanta	12,747	5,053	3,412
Chicago	13,923	8,629	4,862
Dallas	6,586	3,413	2,045
Kansas City	3,892	1,413	817
Denver	1,589	873	523
San Francisco	10,132	5,085	2,564
Seattle	2,276	1,110	610

(Fiscal year 1986)

¹Distribution by region is estimated.

²Total medical assistance payments computable for Federal funding.

³Net adjusted Federal share.

⁴Excludes residence unknown (\$5 million) and residents of foreign countries (\$22 million).

MEDICARE/TRUST FUND PROJECTIONS

	Fiscal Year		
	1986	1987	1988
(in billions)			
HI Benefit Payments ¹	\$48.9	\$47.3	\$51.5
Aged	43.4	42.0	45.9
Disabled	5.5	5.2	5.6
SMI Benefit Payments ¹	25.2	28.9	33.0
Aged	22.2	25.6	29.3
Disabled	3.0	3.3	3.7

¹Excludes PRO expenditures

SOURCE: 1987 Annual Reports of the Board of Trustees of the Federal Hospital Insurance (HI) Trust Fund and Supplementary Medical Insurance (SMI) Trust Fund.

MEDICARE/TYPE OF BENEFIT

	Fiscal Year 1986 Benefit Payments in Millions	Percent Distribution
Total HI ¹	\$48,867	100.0
Inpatient Hospital	45,686	93.5
Skilled Nursing Facility	619	1.3
Home Health Agency	2,527	5.2
Hospice	35	0.1
Total SMI ¹	25,166	100.0
Physician/Other Suppliers	18,798	74.7
Outpatient Hospital	5,048	20.1
Home Health Agency	32	0.1
Group Practice Prepayment	705	2.8
Independent Laboratory	583	2.3

¹Hospital insurance (HI); supplementary medical insurance (SMI).

MEDICAID/BASIS OF ELIGIBILITY

	Fiscal Year 1985 Vendor Payments in Millions	Percent Distribution
Total	\$37,508	100.0
Aged	14,096	37.6
Blind/Disabled	13,452	35.9
Children Under Age 21	4,414	11.8
AFDC-Adults ¹	4,746	12.7
Other Title XIX	798	2.1

¹Aid for Families with Dependent Children (AFDC).

MEDICAID/TYPE OF SERVICE

	Fiscal Year	
	1984	1985
	(in billions)	
Total Vendor Payments	\$33.9	\$37.5
	(percent of total)	
Inpatient Services	29.2	28.4
General Hospitals	26.1	25.2
Mental Hospitals	3.1	3.2
ICF Services ¹	29.7	30.0
Mentally Retarded	12.6	12.6
All Other	17.2	17.4
Skilled Nursing Facility Services	14.2	13.5
Physician Services	6.6	6.3
Prescribed Drugs	5.8	6.2
Outpatient Hospital Services	4.9	4.8
Dental Services	1.4	1.2
Home Health Services	2.3	3.0
Clinic Services	1.7	1.9
Other Practitioner Services	0.7	0.7
Laboratory and Radiological Services	0.6	0.9
Family Planning Services	0.5	0.5
Early and Periodic Screening	0.2	0.2
Rural Health Clinic Services	(2)	(2)
Other Care	2.3	2.5

¹Intermediate care facility (ICF).

²Less than 0.05 percent.

NATIONAL HEALTH CARE/TRENDS

	Calendar Year			
	1965	1980	1985	1986
National Total (billions)	\$41.9	\$248.1	\$422.6	\$458.2
Percent of GNP ¹	5.9	9.1	10.6	10.9
Per Capita Amount	\$ 205	\$1,054	\$1,710	\$1,837
Source of Funds		(percent of total)		
Private	73.8	57.6	58.4	58.6
Public	26.2	42.4	41.6	41.4
Federal	13.2	28.6	29.5	29.4
State/Local	13.0	13.8	12.2	12.0

¹Gross national product (GNP).

NATIONAL HEALTH CARE/PROJECTIONS

	Calendar Year		
	1987	1988	1990
National Total (billions)	\$496.6	\$541.7	\$647.3
Percent of GNP ¹	11.2	11.4	12.0
Per Capita Amount	\$1,973	\$2,135	\$2,511
Source of Funds		(percent of total)	
Private	59.4	58.9	58.4
Public	40.6	41.1	41.6
Federal	28.7	29.5	30.2
State/Local	11.9	11.7	11.4

¹Gross national product (GNP).

NATIONAL HEALTH CARE/TYPE OF EXPENDITURE

	National Total in Billions	Per Capita Amount	Percent Paid		
			Total	Medicare	Medicaid
Total	\$458.2	\$1,837	27.0	17.0	10.0
Health Services and Supplies					
Personal Health Care	404.0	1,620	29.6	18.8	10.8
Hospital Care	179.6	720	37.6	28.8	8.8
Physicians' Services	92.0	369	24.9	20.6	4.3
Nursing Home Care	38.1	153	43.0	1.6	41.4
Other Personal Care	94.4	378	13.4	5.0	8.5
Other Services and Supplies					
Research/Construction	16.3	65	—	—	—

(Calendar year 1986)

PERSONAL HEALTH CARE/PAYMENT SOURCE

	Calendar Year			
	1970	1980	1985	1986
(in billions)				
Total	\$ 65.4	\$219.7	\$371.3	\$404.0
(percent)				
Total	100.0	100.0	100.0	100.0
Private	65.6	60.6	60.0	60.4
Out-of-Pocket	40.5	28.7	28.4	28.7
Other Private	25.1	32.0	31.7	31.7
Public	34.4	39.3	40.0	39.6
Medicare	10.9	16.2	19.0	18.8
Medicaid	8.0	11.5	10.8	10.8
Other Public	15.5	11.6	10.2	10.0

**PER CAPITA SPENDING AND SOURCES OF FUNDS FOR
PERSONAL HEALTH CARE EXPENDITURES FOR PERSONS
65 YEARS OF AGE OR OVER, 1977 AND 1984**

	Total	Hospital Care	Physicians' Services	Nursing Home Care	Other Care
Calendar Year 1977					
Total per Capita	\$1,785	\$ 777	\$320	\$440	\$248
		(percent of total)			
Private	36.1	12.3	42.7	50.7	76.2
Consumer	35.7	12.0	42.7	50.0	75.5
Out-of-Pocket	29.3	4.9	27.6	49.2	72.3
Insurance	6.4	7.1	15.1	0.8	3.2
Other	0.4	0.3	.0	0.7	0.6
Government	63.9	87.7	57.3	49.3	23.8
Medicare	44.1	74.5	53.4	3.3	9.6
Medicaid	13.9	3.9	3.0	41.6	10.4
Other	5.9	9.3	0.9	4.4	3.8
Calendar Year 1984					
Total per Capita	\$4,202	\$1,900	\$868	\$880	\$554
		(percent of total)			
Private	32.8	11.4	39.7	51.9	65.3
Consumer	32.4	11.0	39.6	51.2	64.8
Out-of-Pocket	25.2	3.1	26.1	50.1	59.9
Insurance	7.2	7.9	13.5	1.1	4.9
Other	0.4	0.4	.0	0.7	0.5
Government	67.2	88.6	60.3	48.1	34.7
Medicare	48.8	74.8	57.8	2.1	19.9
Medicaid	12.8	4.8	1.9	41.5	11.4
Other	5.6	9.1	0.7	4.4	3.4

Utilization

Information about the use of health care services



Utilization information is organized by persons receiving services and alternately by services rendered. Measures of health care use include: persons served; units of service; (e.g., discharges, days of care, etc.); and dimensions of the services rendered; (e.g., average length of stay, charge per person or per unit of service). These utilization measures are aggregated by program coverage categories, provider characteristics, type of service, and demographic and geographic variables.

MEDICARE/SHORT-STAY HOSPITAL UTILIZATION

	Fiscal Year				
	1982	1983	1984	1985 ¹	1986 ¹
Discharges					
Total (millions)	11.1	11.6	11.5	10.9	10.7
Rate per 1,000 Enrollees	382	392	383	356	342
Days of Care					
Total (millions)	114	116	105	94	91
Rate per 1,000 Enrollees	3,933	3,918	3,500	3,073	2,911
Average Length of Stay					
per Discharge	10.3	10.0	9.1	8.6	8.5
Total Charges					
Amount (billions)	\$ 46	\$ 55	\$ 56	\$ 57	\$ 61
Per Day	\$400	\$470	\$535	\$605	\$667

¹Estimated.

NOTE: Includes admissions and transfers to excluded units of PPS hospitals.

MEDICARE AVERAGE LENGTH OF STAY/TRENDS

	Fiscal Year				
	1986 ¹				
	ALOS based on original waiver/non- waiver			ALOS based on current waiver/non- waiver	
	1983	1984	1985	States ²	States ³
All areas	10.0	9.1	8.6	8.5	8.5
Non-waiver States	9.5	8.6	8.0	8.1	8.4
PPS only	—	7.7	7.9	8.0	8.2
Waiver States	13.2	12.7	12.1	11.0	10.8
Outlying Areas	9.1	8.7	8.4	7.8	7.8

¹Preliminary.

²Waiver States for 1984-85: Maryland, Massachusetts, New Jersey and New York.

³Waiver States for 1986: Maryland and New Jersey.

NOTE: ALOS = Average Length of Stay.

MEDICARE/LONG-TERM CARE

	Total	Aged	Disabled
Skilled Nursing			
Covered Days (millions)	8.5	8.3	0.3
Rate per 1,000 Enrollees	279	298	100
Interim Reimbursement			
Total (millions)	\$ 495	\$ 478	\$ 18
Mean per Covered Day	\$ 58	\$ 58	\$ 60
Home Health			
Visits (millions)	40.1	37.1	3.0
Rate per 1,000 Enrollees	1,290	1,317	1,026
Charges			
Total (millions)	\$2,131	\$1,970	\$ 162
Visits (millions)	\$1,959	\$1,813	\$ 147
Mean per Visit	\$ 49	\$ 49	\$ 49
Interim Reimbursement (millions)	\$1,779	\$1,646	\$ 133

(Preliminary data for calendar year 1985)

MEDICARE PERSONS SERVED/TRENDS

	Calendar Year			
	1967	1975	1980	1984
Aged Persons Served				
per 1,000 Enrollees				
HI and/or SMI ¹	367	528	638	686
HI	203	221	240	240
SMI	365	536	652	699
Disabled Persons Served				
per 1,000 Enrollees				
HI and/or SMI ¹	—	450	594	639
HI	—	219	246	243
SMI	—	471	634	684

¹Hospital insurance (HI); supplementary medical insurance (SMI).

NOTE: Persons for whom Medicare Trust Fund payments were made.

MEDICARE PERSONS SERVED/PROJECTIONS

	Fiscal Year				
	1986	1987	1988	1990	1991
Aged Persons Served					
per 1,000 Enrollees					
Hospital Insurance	230	230	230	240	240
Supplementary Medical Insurance	770	770	780	790	790
Disabled Persons Served					
per 1,000 Enrollees					
Hospital Insurance	250	250	250	260	260
Supplementary Medical Insurance	730	740	740	740	740

MEDICARE PERSONS SERVED/REGION

	Aged Persons Served in Thousands	Served per 1,000 Enrollees	Disabled Persons Served in Thousands	Served per 1,000 Enrollees
All Regions	18,898	691	1,844	642
Boston	1,122	698	91	643
New York	2,411	711	240	601
Philadelphia	2,138	716	218	671
Atlanta	3,451	685	393	635
Chicago	3,619	685	341	661
Dallas	1,727	648	163	583
Kansas City	1,071	672	83	629
Denver	476	668	36	619
San Francisco	2,238	717	227	712
Seattle	645	691	52	637

(Calendar year 1984 data: served under hospital insurance (HI) and/or supplementary medical insurance (SMI)).

MEDICARE/END STAGE RENAL DISEASE

	Calendar Year	
	1984	1985
Total Enrollees ¹	97,780	103,997
Dialysis Patients ²	78,483	84,797
In-Center	63,245	68,394
Home	15,238	16,403
Transplants Performed ³	6,968	7,695
Living Donor	1,704	1,876
Cadaveric Donor	5,264	5,819
Average Dialysis Payment Rate		
Hospital-Based Facilities	\$131	\$131
Freestanding Facilities	\$127	\$127

¹Medicare ESRD enrollees as of July 1.

²Includes Medicare and non-Medicare patients receiving dialysis as of December 31.

³Includes kidney transplants for Medicare and non-Medicare patients.

MEDICAID/TYPE OF SERVICE

	Recipients in Thousands
Total	21,808
Inpatient Services	
General Hospitals	3,434
Mental Hospitals	60
Skilled Nursing Facility Services	547
Intermediate Care Facility Services	
Mentally Retarded	146
All Other	829
Physician Services	14,387
Dental Services	4,634
Other Practitioner Services	3,357
Outpatient Hospital Services	10,072
Clinic Services	2,121
Laboratory and Radiological Services	6,354
Home Health Services	535
Prescribed Drugs	13,921
Family Planning Services	1,636
Early and Periodic Screening	1,902
Rural Health Clinic Services	86
Other Care	3,383

(Fiscal year 1985)

MEDICAID/UNITS OF SERVICE

	Number in Thousands
General Hospital	
Total Discharges	3,614
Recipients Discharged	2,389
Total Days of Care	29,528
Skilled Nursing Facility	
Total Recipients	533
Total Days of Care	111,632
Intermediate Care Facility (MR) ¹	
Total Recipients	145
Total Days of Care	47,045
Intermediate Care Facility (General)	
Total Recipients	823
Total Days of Care	207,061
Physician Visits	76,428
Rural Health Clinic Visits	278
Home Health Service Visits	14,507
Drug Prescriptions	190,126

(Based on reporting States in fiscal year 1985.)

¹Mentally retarded.

MEDICAID/ABORTIONS

	Fiscal Year		
	1984	1985	1986
Total Number Reported	895	864	227
Annual Percent Change	—	-3.5	-73.7
Total Expenditures (thousands)	\$663	\$801	\$138
Annual Percent Change	—	20.8	-82.8

Administrative /Operating

**Information on activities and services
related to oversight of the day-to-day
operations of HCFA programs**



Included are data on Medicare contractors, contractor activities and performance, HCFA and State Agency administrative costs, quality control, and summaries of the operation of the Medicare trust funds.

MEDICARE ADMINISTRATIVE EXPENSES/TRENDS

	Administrative Expenses	
	Amount in Millions	As a Percent of Benefit Payments
HI Trust Fund¹		
1970	\$ 157	3.1
1975	266	2.4
1980	512	2.0
1984	629	1.5
1985	834	1.8
1986	664	1.3
SMI Trust Fund¹		
1970	237	12.0
1975	462	10.8
1980	610	5.7
1984	891	4.5
1985	933	4.1
1986	1,060	4.0

(Calendar year data)

¹Hospital insurance (HI); supplementary medical insurance (SMI).

MEDICARE/CONTRACTS

	Part A Intermediaries	Part B Carriers
Blue Cross/Blue Shield	47	27
Other	7	8

(January 1987)

MEDICARE/CLAIMS PROCESSING COSTS

	Net Unit Cost Per Claim		
	1975	1980	1986
Part A Intermediaries	\$3.84	\$2.96	\$1.96
Part B Carriers	2.90	2.33	1.75

(Fiscal year data)

MEDICARE/CLAIMS PROCESSING

	Part A Intermediaries	Part B Carrier
Claims Processed (millions)	65.1	296.4
Total Costs (millions)	\$362.4	\$618.7
Claims Processing Costs (millions)	\$111.3	\$481.5
Claims Processing Unit Costs	\$ 1.97	\$ 1.72
Range:		
High	\$ 2.39	\$ 1.93
Low	\$ 1.65	\$ 1.58
Average Processing Time (days)	14.7	18.4

(Fiscal year 1986)

MEDICARE/CLAIMS RECEIVED

	Calendar Year 1986
Intermediary (thousands)	65,251
Percent of Total	
Inpatient Hospital	18.2
Outpatient Hospital	64.0
Home Health Agency	8.3
Skilled Nursing Facility	1.3
Other	8.2
Carrier (thousands)	306,714
Percent of Total	
Assigned	68.0
Unassigned	32.0

MEDICARE/REASONABLE CHARGE REDUCTIONS

	Assigned	Unassigned
Claims Approved		
Number (thousands)	191,138	87,120
Percent Reduced	82.8	85.0
Total Covered Charges		
Amount (millions)	\$24,662	\$10,757
Percent Reduced	28.4	26.9
Amount Reduced per Claim	\$ 36.65	\$ 33.16

(Calendar year 1986)

MEDICARE/APPEALS

	Part A Reconsiderations	Part B Reviews
Number Received	N/A	4,599,021
Number Processed	34,491	4,568,276
Percent Affirmed	83.2	39.1

(Fiscal year 1986)

Not available.

MEDICAID/ADMINISTRATION¹

	Fiscal Year	
	1985	1986²
(in thousands)		
Total Payments Computable for Federal Funding	\$2,000,081	\$2,125,260
Federal Share of Current Expenditures:		
Family Planning	7,338	8,766
Design, Development or Installation of MMIS ³	26,038	25,163
Skilled Professional Medical Personnel	154,625	166,007
Operation of an Approved MMIS ³	299,932	331,529
Other Financial Participation	570,431	693,625
Mechanized Systems Not Approved Under MMIS ³	29,194	17,260
Total Administration	1,087,558	1,242,350
Net Adjusted Federal Share	41,201,966	1,260,334

¹The effect of Section 2161 of the Omnibus Budget Reconciliation Act of 1981 is not included in this schedule.

²State estimates as submitted November 1986. Net adjusted Federal share includes cash-flow adjustments.

³Medicaid Management Information System.

⁴Includes Federal share of current expenditures plus State-reported and HCFA adjustments.

QUALITY CONTROL/MEDICARE PART B CARRIERS

	Average Carrier Error Rate			
	1977	1984	1985	1986
Occurrence (Claims processing errors per 100 line items)	8.7	6.4	6.4	5.7
Assigned	8.3	5.7	5.7	5.1
Unassigned	9.2	7.4	7.7	6.9
Payment/Deductible (Dollar error per \$100 of submitted charges)				
Without Non-Review Penalty	1.9	1.8	1.8	1.7
Assigned	1.8	1.7	1.7	1.6
Unassigned	2.0	1.8	1.8	1.7

(Calendar year data)

QUALITY CONTROL/MEDICAID

Fiscal year	(percent of dollars)	Eligibility
		National Average Error Rate ¹
1980		5.1
1981		3.8
1982		23.8
1983		22.8
1984		22.7
1985		22.7

¹Excludes Supplemental Security Income determinations.

²The Tax Equity and Fiscal Responsibility Act of 1982 mandated the exclusion of certain errors from the Medicaid Quality Control System, thereby lowering error rates.

Reference

Selected reference material on cost-sharing features of the Medicare programs, program financing, administrative regions, and Medicaid Federal medical assistance percentages.



MEDICARE DEDUCTIBLE AND COINSURANCE AMOUNTS

Part A (effective date)	Amount
Inpatient hospital deductible (1/1/87)	\$520/benefit period
Regular coinsurance day (1/1/87)	\$130/day for 61st thru 90th day
Lifetime reserve day (1/1/87)	\$260/day (60 nonrenewable days)
SNF coinsurance day (1/1/87)	\$65/day for 21st thru 100th day
Blood deductible	first 3 pints/benefit period
Voluntary HI premium (1/1/87)	\$226/month
Limitation:	
Inpatient psychiatric hospital days	190 nonrenewable days
Part B (effective date)	Amount
Deductible (1/1/82)	\$75 in reasonable charges/year
Blood deductible	first 3 pints/calender year
Coinsurance	20 percent of reasonable charges
Premium (1/1/87)	\$17.90/month
Limitations:	
Outpatient treatment for mental illness	\$250 maximum annual program payment
Licensed physical therapist's services in home or office (1/1/82)	\$400 maximum annual program payment

PROGRAM FINANCING

Medicare/Source of Income

Hospital Insurance (HI) Trust Fund:

1. Payroll taxes*
2. Transfers from railroad retirement account
3. General revenue for
 - a. uninsured persons
 - b. military wage credits
4. Premiums from voluntary enrollees
5. Interest on investments
6. Interfund loan repayment

* Contribution rate	<u>1986</u>	<u>1987</u>
	Percent	
Employees and employers, each	1.45	1.45
Self-employed	2.90	2.90

Calendar year 1987 maximum taxable amount: \$43,800

Supplementary Medical Insurance (SMI) Trust Fund:

1. Premiums paid by or on behalf of enrollees
2. General revenue
3. Interest on investments

Medicaid/Financing

1. Federal contributions (ranging from 50 to 80 percent for fiscal year 1988)
2. State contributions (ranging from 20 to 50 percent for fiscal year 1988)

**GEOGRAPHICAL JURISDICTIONS OF HCFA REGIONAL OFFICES
AND FEDERAL MEDICAL ASSISTANCE PERCENTAGES (FMAP)
FISCAL YEAR 1988**

I. Boston	FMAP	VI. Dallas	FMAP
Connecticut	50	Arkansas	74
Maine	67	Louisiana	68
Massachusetts	50	New Mexico	72
New Hampshire	50	Oklahoma	63
Rhode Island	55	Texas	57
Vermont	66		
II. New York		VII. Kansas City	
New Jersey	50	Iowa	63
New York	50	Kansas	55
Puerto Rico	50	Missouri	59
Virgin Islands	50	Nebraska	60
Canada	N/A		
III. Philadelphia		VIII. Denver	
Delaware	52	Colorado	50
Dis. of Columbia	50	Montana	69
Maryland	50	North Dakota	65
Pennsylvania	57	South Dakota	70
Virginia	51	Utah	74
West Virginia	75	Wyoming	58
IV. Atlanta		IX. San Francisco	
Alabama	73	Arizona	62
Florida	55	California	50
Georgia	64	Hawaii	54
Kentucky	72	Nevada	50
Mississippi	80	American Samoa	50
North Carolina	69	Guam	50
South Carolina	73	N. Mariana Islands	50
Tennessee	71	Mexico	N/A
V. Chicago		X. Seattle	
Illinois	50	Alaska	50
Indiana	64	Idaho	70
Michigan	56	Oregon	62
Minnesota	54	Washington	53
Ohio	59		
Wisconsin	59		





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HEALTH AND HUMAN SERVICES
Health Care Financing Administration
Bureau of Data Management and Strategy

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